

Compliance - Business and Income Taxes		Agency/Program #: 5801-07-11
		Division: Business and Income Taxes
		Program: Business and Income Taxes
Agency Name:	Department of Revenue	
Agency Contact:		Enter Phone #
LFC Contact:	Rep. Sesso and Rep. Taylor	
LFD Liaison:	Greg DeWitt	444-5392
OBPP Liaison:	Mark Bruno	444-4588

Program or Project Description:

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Appropriation, Expenditure and Source				
Fund Name:	2008		2009	
	Approp.	Expended	Approp.	Expended
General Fund				
State Special				
Federal Funds				
Total:	\$0	\$0	\$0	\$0

Approp & Expenditure numbers are as of October 31, 2007

Goal(s):

Increase Compliance with Montana's Tax Laws

Implement new and enhance existing compliance programs to ensure that both resident and nonresident taxpayers are meeting their filing obligations and paying their fair share of tax. Employ a coordinated and comprehensive approach to compliance by combining audit, legal and collections resources to provide basic compliance coverage for all taxes and fees, and to reduce differences in levels of compliance among different taxpayers and taxpayer groups, including but not limited to correcting the known shortfalls in compliance by nonresidents and out-of-state companies.

Performance Measures :

This is a common initiative in multiple programs. See measures in document 5801-01-11 (Compliance - Legal)

2009 Biennium Significant Milestones:		Completion Dates	
		Target	Actual
1			
2			
3			
4			
5			

Performance Report:**LFD Narrative:****EXECUTIVE CHANGES**

1. Changes to Goals/Initiatives: Yes This goal is basically the result of eliminating the goal associated with the compliance funding provided by the 2007 Legislature and combining that effort with the overall goal to provide delivery of the primary mission of the agency. Basically, one goal impacting initiatives in two programs and one agency goal were combined into the agency goal and the agency goal was rewritten to an expanded scope. [Agency/Program # 5801-01-I1 and 5801-07-I1 were eliminated and combined with 5801-00-G1]
2. Changes to Performance Measures: Yes The measures were rewritten so many of the previous more specific measures were made less specific. Furthermore, the executive report states that the measures are still being designed and developed.

LFD ASSESSMENT

1. Goal is measurable within the biennium: Unable to determine The measures are still being developed.
2. Progress toward goal: Unable to determine No progress was reported except for the successful implementation of the state tax administration system, which was an initiative of a prior biennium.

APPROPRIATION ISSUES

1. Appropriation/Expenditures Provided: No
2. Other Appropriation Issues - Tax compliance was a significant initiative for the 2009 biennium. Originally requested, the tax compliance funding included significantly more FTE that were funded by the legislature. However, no measures have been provided that would directly measure the FTE contribution to attainment of the goal.

OPTIONS REGARDING GOAL/INITIATIVE AND PERFORMANCE MEASURES

The working group may want to request that when the agency continues to develop their performance measures that they include measures that address the staffing contribution to the goal and measures that could be used to measure and report progress made during the current biennium.



Version	Date	Author
AW-1	12/7/2007	DeWitt

Change Description
LFD narrative of first submission to Dec. 2007 LFC



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Goals/Objectives

Complete your draft of the following information for each agency goal and related objectives. This will be reviewed by the policy and budget staff. Do not exceed two pages.

- Save the document in the Guest Directory\Performance Indicators in your agency folder, named in the following format: **aaaa.ppp.vv** Where aaaa is the agency number, ppp is a number of your choice to identify each goal, and vv is the version number. The first version should be 01, then 02, etc.
- Send your OBPP budget analyst a message when you have saved a document(s) in the file.

Agency Contact: Larry Finch / Gene Walborn/ Ed Caplis

Phone Number: 3526 / 0908/ 3531

Agency Name: Department of Revenue

Division: Business and Income Tax Division

Program (identify and briefly describe):

List a single goal and brief description:

Goal III: Prevent Tax Increases, Aid Taxpayers in Following the Law, Ensure Fiscal Responsibility, Protect Montana Businesses from Unfair Competition, and Improve Tax Fairness and Integrity in Montana's Current Tax Laws

Improve existing compliance programs to ensure that resident, nonresident and corporate taxpayers are meeting their filing obligations and paying their fair share of taxes. Fair compliance programs support the Schweitzer Administration's record and commitment to not raising taxes, to ensure fiscal responsibility and a state government that lives within its means. They also help ensure that Montana businesses do not face unfair competition from out-of-state businesses that do business in Montana but that may not pay their fair share of Montana taxes. Finally, these programs help citizens partner with each other in paying for the costs of government.

Employ a coordinated and comprehensive approach to compliance by combining audit, legal, public information and collections resources to provide compliance coverage for all taxes and fees, and to reduce differences in levels of compliance among different taxpayers and taxpayer groups, including but not limited to correcting the known shortfalls in compliance by nonresidents and out-of-state companies.

Describe the performance measures related to this goal:

Performance Measure I: On an on-going basis, evaluate forms, instructions, and taxpayer services through taxpayer satisfaction surveys including the current form and instruction feedback cards and post-audit surveys.

Performance Measure II: Measure the effectiveness of the new mineral withholding system and report the findings by mid-year 2009.

Performance Measure III: For nonresident sellers of property, establish a baseline rate of noncompliance and then periodically measure on-going rates of non-filing by the end of calendar 2008.

Performance Measure IV: For nonresident owners of pass-through entities, establish a baseline rate of noncompliance and then periodically measure on-going rates of noncompliance for non-filing and underreporting of income by mid year of calendar 2009.

Performance Measure V: Continue to identify taxpayers using abusive tax shelters and evaluate effectiveness of efforts under current law to curb such shelters by the end of calendar 2008.

List significant milestones and target dates to be completed in the 2009 Biennium:

The milestones are inherent in the performance measures listed above.

Describe the current status of the measurements related to the goal:

The Department's successful implementation of the new Gentax computer system for state tax administration provides the data foundation for the proposed performance measurement activities.

The performance measures are in the design and development stage.